

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 25 NOV 2024

DAY:

Tuesday

REPORT

TABLED
BY:

Hon. Abeni Wago
Deputy Majority Whip

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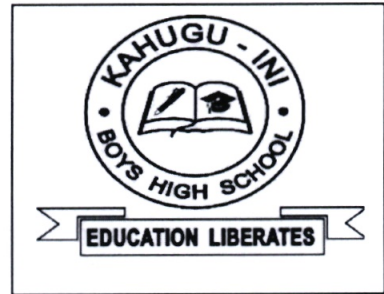
THE AUDITOR-GENERAL

ON

KAHUGUINI BOYS HIGH SCHOOL

**FOR THE YEAR ENDED
30 JUNE, 2022**

KIAMBU COUNTY



KAHUGUINI BOYS HIGH SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards

KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

1	Page
Table of Contents	
2.. <u>Acronyms and Glossary of Terms</u>	ii
2. <u>Key School Information and Management</u>	iii
3. <u>School Operation Management</u>	v
4. <u>Summary Report of Performance of The School</u>	vii
5. <u>Statement of School Management Responsibility</u>	xii
6. <u>Report Of The Independent Auditors (To be attached)</u>	xiii
7. <u>Statement Of Receipts and Payments For the Year Ended 30th June 2022</u>	1
9. <u>Statement of Assets and Liabilities As At 30th June 2022</u>	2
10. <u>Statement of Cash Flows for the Year Ended 30th June 2022</u>	3
11. <u>Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022</u>	5
12. <u>Significant Accounting Policies</u>	9
13. <u>Notes To The Financial Statements</u>	11
9. <u>Annexes</u>	21

2 Acronyms and Glossary of Terms

BOM	Board of Management
CEB	County Education Board
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
FY	Financial Year
FDSE	

2 Key School Information and Management

(a) Background information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is in Kiambu County, Gatundu South Sub-County.

The school was registered in 01/21 under registration number 22S00300649 and is currently categorized as a county public school established, owned or operated by the Government.

The school is a day/boarding school and had 825 number of students as at 30th June 2022. It has 5 streams and 32 teachers of which 11 teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

1	FRANCIS MUHIA KIMORE	Chairman	23/11/2021
2	GEORGE GUCU MUNGAI	Secretary- Principal	23/11/2021
3	TERESIA WANJIKU MATHU	Member	23/11/2021
4	ELIJAH GATHUA MUTAARU	Member	23/11/2021
5	GEORGE GITAU	Member	23/11/2021
6	SILVESTER THUO	Member	23/11/2021
7	JOSEPH NGARUIYA	Member	23/11/2021
8	PETER KAMAU KARIUKI	Member – Rep CEB	23/11/2021
9	SAMMY WAINAINA	Member Rep Teachers	23/11/2021
10	FRANCIS KIERU	3 Members - Sponsor	23/11/2021
11	PURITY MUTHONI	Member - Community	23/11/2021
12	LUCY W. WAIGANJO	Member Special Needs	23/11/2021
		Rep Students	

The functions of the School Board of Management are to:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013.
- Ensure and assure the provision of proper and adequate facilities for the School.
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB.
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB.
- Administer and manage the resources of the School.
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Committees of the Board				
1	Executive Committee	i) Francis Muhia Kimore ii) Purity Muthoni iii) Teresia W. Mathu iv) Peter Kamau v) George G. Mungai	BOM Chairman P.A Chairperson BOM member BOM member BOM secretary	1
2	Audit Committee	i) Francis M. Kimore ii) Purity Muthoni iii) Silvester Thuo iv) Joseph Makimii v) George G. Mungai	BOM Chairman P.A Chairperson BOM member BOM member BOM secretary	1
3	Finance, procurement and general purposes Committee	i) Francis M. Kimore ii) Purity Muthoni iii) Silvester Thuo iv) Joseph Makimii v) George G. Mungai	BOM Chairman P.A Chairperson BOM member BOM member BOM secretary	1
4	Academic Committee	i) Elijah Mutaaru ii) Nelson Kimani iii) Joseph Makimii iv) Archmond Omwega v) George G. Mungai vi) Lawrence K. Mwaura	BOM Member BOM Member BOM Member Teacher Representative BOM Secretary Deputy principal	1
5	DEVELOPMENT	i) Francis Muhia Kimore ii) George G. Mungai iii) Purity Muthoni iv) Lawrence K. Mwaura v) Peter Kamau	BOM Chairman BOM Secretary P.A Chairperson BOM Member (Deputy Principal) BOM Member	3

		vi) Silvester Thuo	BOM Member	
6	Discipline and welfare Committee	i) Purity Muthoni ii) Ruth Njeri iii) George Gitau iv) Francis Ruo v) John Kaniaru vi) Sammy Wainaina	P.A Chairperson BOM Member BOM Member BOM Member BOM Member Teacher Representative	1
7	Adhoc Committee (if any during the year)			

3 School operation Management

For the financial year ended 30th June 2022 the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	George G. Mungai	335138
2	Deputy Principal	Lawrence K. Mwaura	420512
3	School Bursar	Faith Wangari	22356476

(d) Schools contacts

Post Office Box: 92-01030
 Telephone: 0724 944 128
 E-mail: kahuginisecondary@gmail.com
 Website: Kahuguini secondary school
 Facebook:
 Twitter:

(e) School Bankers

Name of Bank: EQUITY BANK
Branch: GATUNDU BRANCH
Account Number: 0660261104161

Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000005281

Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000017599

Name of Bank: FAMILY BANK
Branch: GATUNDU BRANCH
Account Number: 004000016696

**MPESA PayBill No. 649326 attached to Equity bank account
0660261104161**

Independent Auditors

Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

4 Summary Report of Performance of The School

The following is a summary report of the performance of the school against the set performance evaluation criteria:

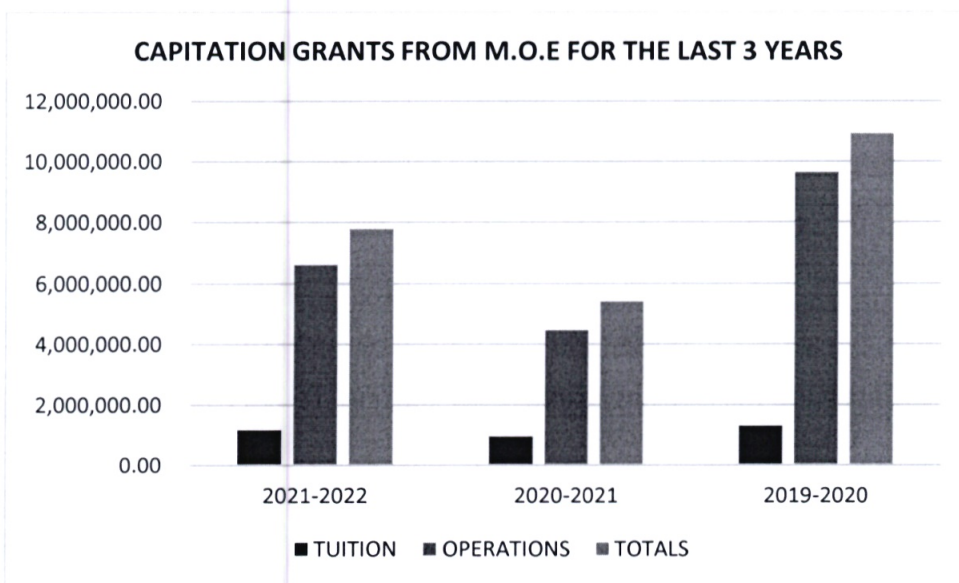
a) Financial performance:

SURPLUS/DEFICIT FOR THE LAST THREE YEARS

YEAR	2021-2022	2020-2021	2019-2020
DEFICIT/SURPLUS	-6,941,907	-2,564,768	6,247,635

CAPITATION GRANTS FROM M. O.E FOR THE LAST THREE YEARS

YEAR	2021-2022	2020-2021	2019-2020
TUITION	2,675,615	943,165	1,045,745
OPERATIONS	11,730,329	6,770,734	6,905,836
TOTALS	14,405,944	7,713,899	7,951,581

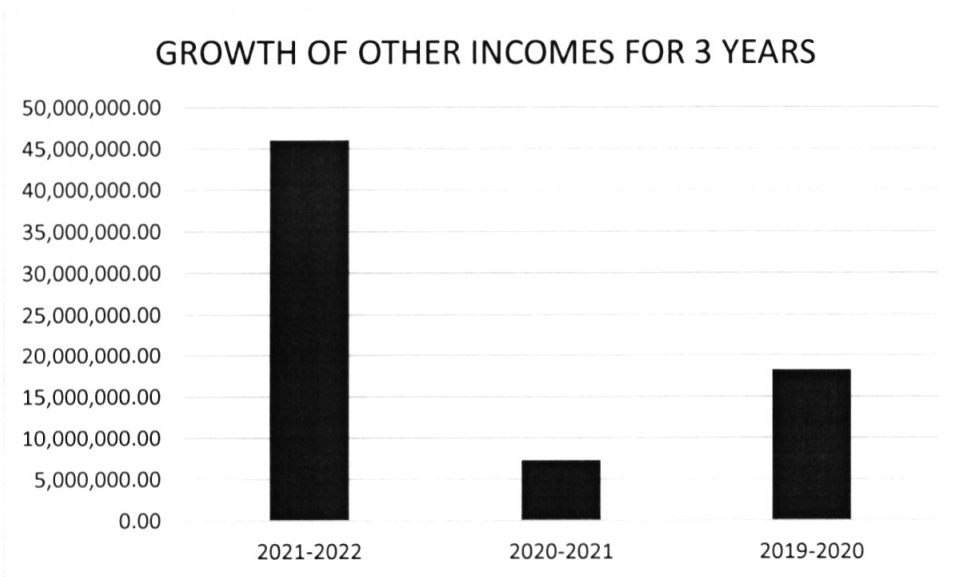


RATIO OF CAPITATION GRANTS PER STUDENT OVER THE LAST 3 YEARS

YEAR	2021-2022	2020-2021	2019-2020
RATIO	9441:1	7473:1	16957:1

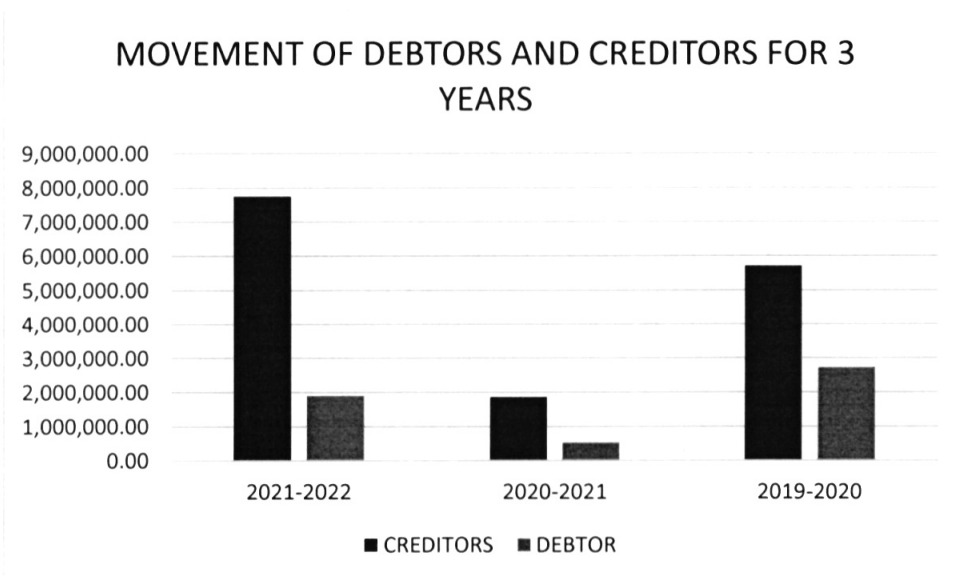
GROWTH OF OTHER INCOMES FOR THE LAST 3 YEARS
SCHOOL FUND ACCOUNT

YEAR	2021-2022	2020-2021	2019-2020
AMOUNT	46,031,920	7,313,190	18,255,639



MOVEMENT OF DEBTORS AND CREDITORS OVER THE LAST 3 YEARS

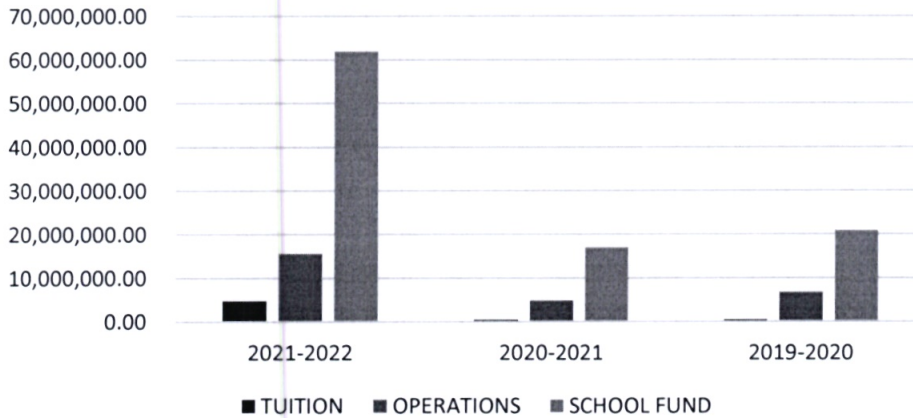
YEAR	2021-2022	2020-2021	2019-2020
CREDITORS	7,754,099	1,865,181	5,714,682
DEBTOR	1,906,537	528,177	2,732,421



GROWTH IN EXPENDITURE FOR THE LAST 3 YEARS

ACCOUNT	2021-2022	2020-2021	2019-2020
TUITION	4,441,961	493,904	1,014,030
OPERATIONS	15,614,682	3,946,649	5,860,526
SCHOOL FUND	64,188,383	15,376,058	21,013,722

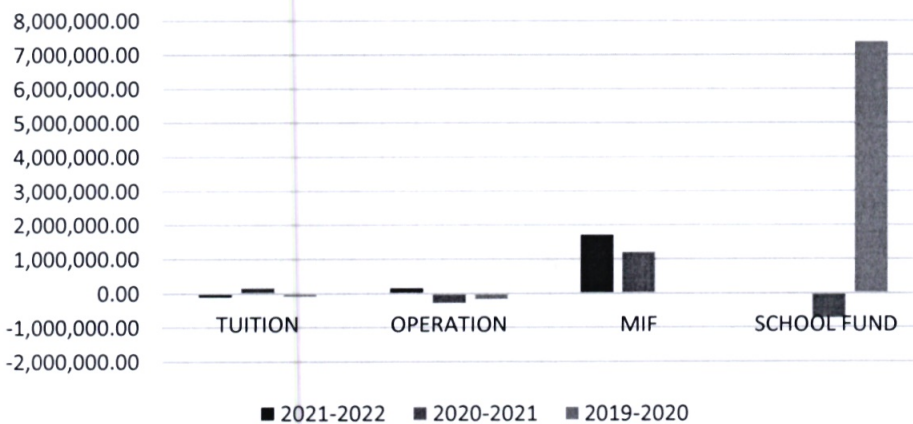
GROWTH IN EXPENDITURE FOR THE LAST 3 YEARS



MOVEMENT OF BANK BALANCES FOR THE LAST 3 YEARS

ACCOUNT	2021-2022	2020-2021	2019-2020
TUITION	(110,945)	165,350	(89,041)
OPERATION	155,345	(290,218)	(173,653)
MIF	1,715,008	1,202,855	0
SCHOOL FUND	7,409	-742,086	7,384,080

MOVEMENT OF BANK BALANCES FOR THE 3 YEARS

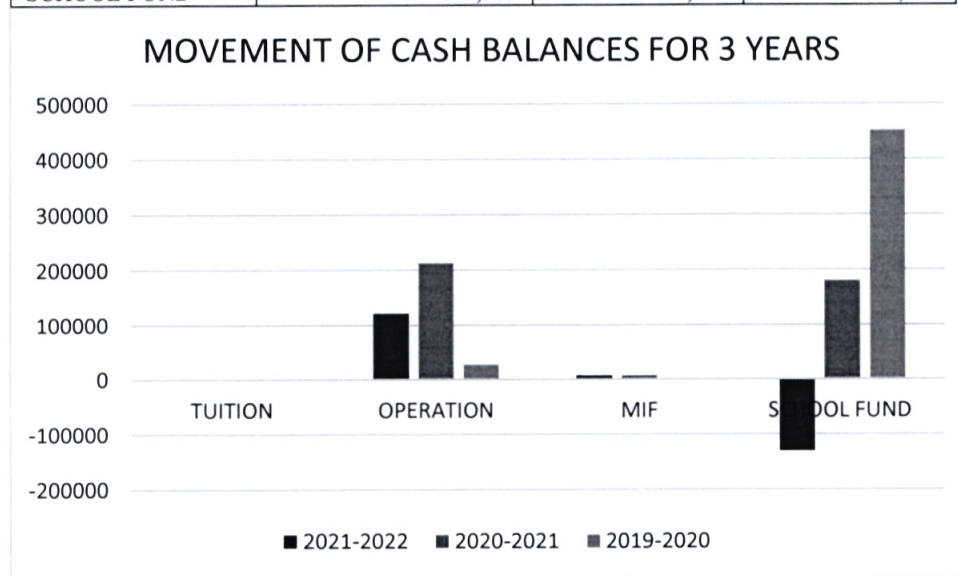


KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

MOVEMENT OF CASH BALANCES FOR THE LAST 3 YEARS

ACCOUNT	2021-2022	2020-2021	2019-2020
TUITION	0	0.	0
OPERATION	122,294	213,077	26,827
MIF	7,095	7,095	0
SCHOOL FUND	-129,389	180,828	452,268



b) Teacher/ Student ratio:

NO OF STUDENTS	BOM TEACHERS	TSC TEACHERS	TRANSFERRED	RETIRED
825	9	23	0	0

SUBJECT	NO. REQUIRED	NO. PRESENT B.O.M	NO. PRESENT TSC	SHORTAGE
MATHS	12	5	7	5
ENGLISH	6	1	4	2
SWAHILI	8	2	4	4
CHEMISTRY	5	3	2	3
C.R.E	5	1	3	2
PHYSICS	3	2	1	4
BIOLOGY	3	2	3	0
GEOGRAPHY	5	1	4	1
HISTORY	5	4	3	2
AGRICULTURE	2	1	2	0
BUSINESS STUDIES	2	2	2	0
COMPUTER STUDIES	1	1	0	1
HOMESCIENCE	1	1	0	1

C Mean score in the 2020-2021 KCSE:

School	Category	Candidature			A	A-	B+	B	B-	C+	C	C-	D+	D	D-	E	X	Y	Mean Grade	Deviation
Kahuguini	County	Year	Gender	Total																
		2021	Male	128	0	0	0	1	0	1	1	7	19	50	46	3	0	0	2.953	-0.907
		2020	Male	117	0	0	1	2	2	4	9	17	23	29	29	0	1	0	3.86	+0.05
		2019	Male	63	0	0	0	1	1	1	5	5	15	27	7	0	1	0	3.81	+0.96
		2018	Male	65	0	0	0	0	0	2	2	5	5	14	35	2	0	0	2.85	-0.48
		2017	Male	60	0	0	0	0	0	1	3	6	14	18	17	1	0	0	3.33	+0.31

c) Number of Candidates in the 2021 KCSE:

YEAR	NO OF STUDENTS
2021	128
2020	117
2019	63
2018	65
2017	60

d) Capacity of the school:

NO OF STUDENTS	DORMITORIES	DINNING HALL	LABORATORY	TOILET	LATRINES
825	5	1	2	20	16

e) Development projects carried out by the school:

PROJECT	PROJECTED COST	NEW OR ONGOING	SOURCE OF FUNDING	STATUS	
Purchase and installation of 60kva Perkins generator	2,629,430.00	NEW	M.I.F	ONGOING	
Construction of 3 classrooms first floor- Multipurpose hall and stair case phase	4,594,148.00	ONGOING	M.I.F P.A FUNDING	COMPLETE	

PRINCIPAL
KAHUGU-INI SEC SCHOOL
P. O. Box 92/01030, GATUNDU

DATE: 07/07/22 SIGN: [Signature]

School Principal

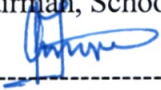
5 Statement of School Management Responsibility


Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.


Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Kahuguini boys high school* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended 30th June, 2022, and of the school's financial position as at that date.

Name: Francis Muhia Kimore
Designation: Chairman, School Board of Management
Sign: 
Date: 10/7/24

Name: George Gucu Mungai
Designation: School Principal & Secretary to Board of Management
Sign: 
Date: 10/7/24

Name: Faith Wangari
Designation: Bursar
Sign: 
Date: 10/7/24

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KAHUGUINI BOYS HIGH SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – KIAMBU COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kahuguini Boys High School – Kiambu County set out on pages 1 to 22, which comprise of the statement of assets and

liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kahuguini Boys High School – Kiambu County as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Basic Education Act, 2013.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

- i. The statement of assets and liabilities reflects accounts receivables balances of Kshs.15,869,903. However, re-computation of the movement in the accounts receivables made up of an opening balance of Kshs.14,496,543, total amount for the period of Kshs.77,303,119 and total actual receipts for the period of Kshs.77,275,055 results to a balance of Kshs.14,524,607 leading to unreconciled and unexplained variance of Kshs.1,345,296.
- ii. The statement of assets and liabilities further reflects accounts payables balance of Kshs.16,977,280. However, analysis of movement in accounts payables balance made up of opening balance of Kshs.7,632,097, total amount for the period of Kshs.84,245,026 and total actual payments for the period of Kshs.76,245,139 results to a balance of Kshs.15,631,984. This leads to unreconciled and unexplained variance of Kshs.1,345,296.

In the circumstances, the accuracy of the financial statements could not be confirmed.

2. Unsupported Long Outstanding Trade and Other Payables

The statement of assets and liabilities reflects accounts payables of Kshs.16,977,280, which increased by Kshs.9,345,183 (122%) from Kshs.7,632,097. However, the creditors' ledger and register were not provided for audit.

Further, out of the balance of Kshs.16,977,280, a balance of Kshs.7,747,611 relates to account payables outstanding for over two (2) years.

In the circumstances, the accuracy and completeness of accounts payables totalling Kshs.16,977,280 could not be confirmed.

3. Undisclosed Assets

Summary of fixed assets register in Annex 2 to the financial statements discloses historical cost of fixed assets carried forward of Kshs.69,200,000 which includes land with undisclosed value.

In the circumstances, the accuracy and completeness of the Nil land balance could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kahuguini Boys High School Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues as at 30 June, 2022.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 22 June, 2023 instead of the statutory deadline of

30 September 2022. This was contrary to Section 68(2) of the Public Finance Management Act, 2012 which states that in the performance of a function under subsection (1), an accounting officer shall—(k) prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit, and in the case of a national government entity, forward a copy to The National Treasury.

In the circumstances, Management was in breach of the law.

2. Unapproved Budget

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis amounts of Kshs.56,548,322 and Kshs.77,275,055 respectively, resulting to overfunding of Kshs.20,726,733 or 37% of the budget. Similarly, the school expended Kshs.79,332,094 against an approved budget of Kshs.56,548,322, resulting to over-expenditure of Kshs.22,783,772 or 40% of the budget. This was contrary to Regulations 40(2) of the Public Finance Management (National Government) Regulations, 2015 stipulates that each Accounting Officer prior to incurring any expenditure under paragraph (1), Accounting Officers shall seek the approval of The National Treasury, and if approval is granted by the Cabinet Secretary, it shall be communicated to the Accounting Officers through a notification which shall be copied to the Auditor-General and the Controller of Budget.

In the circumstances, Management was in breach of the law.

3. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.11,730,329 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.4,095,000 in respect of infrastructure grants which were to be transferred to infrastructure bank account for maintenance and improvement of the school's facilities. However, only Kshs.3,510,000 was transferred to infrastructure account, leaving a balance of Kshs.585,000 as at 30 June, 2022. This was contrary to Ministry of Education Circular Ref. No: MOE.HQS/3/13/3 dated 16 June, 2021 directs that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the law.

4. Lack of Approved Staff Establishment

The School did not have an approved staff establishment and a human resource plan to support achievement of goals and objectives in the strategic plan. Therefore, optimal staffing levels for all cadre of staff have not been established. This was contrary to Section B.2(1)(2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 states that requires every Ministry/State Department to prepare human resource plans to support achievement of goals and objectives in their strategic plans.

The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

In the circumstances, Management was in breach of the law.

5. Non-Compliance with the National Cohesion and Integration Act, 2008

Review of personnel records revealed that all the employees were from the same ethnic community. This was contrary to Section 7(2) of National Cohesion and Integration Act, 2008 which provides that the staff establishments of public entities to reflect the diversity of the people of Kenya with least 30% of employees are expected to be from other ethnic communities.

In the circumstances, Management was in breach of the law.

6. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed nine hundred and sixteen (916) books to the school while only seven hundred and twenty (720) books were issued to the students, resulting to unexplained excess textbooks of one hundred and ninety-six (196) books in the School store.

In the circumstances, value for money on the excess one hundred and ninety-six (196) textbooks could not be confirmed.

7. Lack of School Improvement Plan

During the year under review, the School did not have an approved School Improvement Plan, contrary to Section 2.2 of the Ministry of Education Operation Manual for Utilization of Learner Capitation Grant and Other School Funds, which requires schools to identify in every three-year school improvement planning cycle, one priority area in each of the four key areas which include curriculum implementation, foundational literacy and numeracy outcomes, an enabling environment for learning and parental involvement and community engagement for implementation.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are complying, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis of Conclusion

Non-Tagging of Fixed Assets

Physical verification of assets done in May, 2024 revealed that the school has several fixed assets that have been acquired over some time and all of the assets have not been coded/tagged with unique identification codes.

In the circumstances, the effectiveness of safeguarding the assets owned by the school could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the School or to cease its operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

following the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the school's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the School to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the school to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

18 September, 2024

7 Statement Of Receipts and Payments For the Year Ended 30th June 2022

DESCRIPTION OF YOUR HEAD		2021-2022 KES	2020-2021 KES
RECEIPTS			
Capitation grants for tuition	1	2,675,615	943,165
Capitation grants for operations	2	11,730,329	6,770,734
School Fund Income- Parents' Contributions	3	16,865,255	2,224,754
School Fund Income- Other receipts	4	46,031,920	7,313,190
Proceeds from borrowings		0	0
TOTAL RECEIPTS		77,303,119	17,251,843
PAYMENTS			
Payments for Tuition	5	4,441,961	493,904
Payments for operations	6	15,614,681	3,946,649
Boarding and school fund payments	7	64,188,383	15,376,058
TOTAL PAYMENTS		84,245,026	19,816,611
SURPLUS/DEFICIT		(6,941,907)	(2,564,768)

The school financial statements were approved on _____ 2022 and signed by:


.....

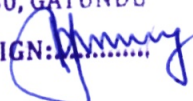
Name: Francis M. Kimore

Chair BOM

Date: 10/7/24

.....

Name: George G. Mungai
School Principal/ Secretary to
BOM **PRINCIPAL**

KAHUGU-INI SEC SCHOOL,
P.O. Box 92, 01030, GATUNDU
Date: 10/7/24
DATE:.....SIGN: 


.....

Name: Faith Wangari

Bursar/ Finance Officer

Date: 10/7/24

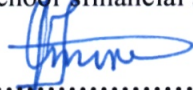
(Comparative FY refers to the financial year preceding the current financial year.)

6 Report Of The Independent Auditors *(To be attached)*

9 Statement of Assets and Liabilities For the year ended 30th June 2022

FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8	1,766,816	335,900
Cash Balances	9	0	401,000.00
Short term Investment	10	-	-
Total Cash and cash equivalent		<u>1,766,816</u>	<u>736,900</u>
Account's receivables	11	15,869,903	14,496,543
TOTAL FINANCIAL ASSETS		17,636,719	15,233,443
FINANCIAL LIABILITIES			
Accounts Payables	12	16,977,280	7,632,097
NET FINANCIAL ASSETS		659,439	7,601,346
REPRESENTED BY			
Accumulated Fund b/fwd	13	7,601,346	10,166,114
Surplus/Deficit for the year		(6,941,907)	(2,564,768)
NET FINANCIAL POSITION		659,439	7,601,346


The school's financial statements were approved on _____ 2022 and signed by:



Name: Francis M. Kimore

Chair BOM

Date: 10/7/24



Name: George G. Mungai

School Principal/ Secretary to BOM

KAHUGU-INI SEC SCHOOL
P. O. Box 72-01080, GATUNDU
Date: 10/7/24
DATE: 10/7/24 SIGN: [Signature]



Name: Faith Wangari

Bursar/ Finance Officer

Date: 10/7/24

(Comparative FY refers to the financial year preceding the current Financial year.)

10 Statement of Cash Flows for the Year Ended 30th June 2022

		2021-2022 Kshs	2020-2021 Kshs
Receipts to operating income			
Capitation grants for tuition	1	2,675,615	943,165
Capitation grants for operations	2	11,730,329	6,770,734
School fund income- Parents contributions/ fees	3	41,623,556	6,927,030
School fund income- other receipts	4	21,245,555	2,647,847
Total receipts		77,275,055	17,288,776
Payments			
Payments for Tuition		2,551,916	1,188,774
Payments for operations		9,663,549	3,252,049
Boarding and school fund payments		60,994,832	18,441,483
Total payments		73,210,291	22,882,306
Net cashflow from operating activities		4,064,763	(5,593,530)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets		-	-
Acquisition of Assets		(3,034,848)	(1,270,050)
Proceeds from investments		-	-
Purchase of investments		-	-
Net cash flows from Investing Activities		(3,034,848)	(1,270,050)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from borrowings/ loans		-	-
Repayment of principal borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,029,916	(6,863,580)
Cash and cash equivalent at BEGINNING of the year		736,900	7,600,481
Cash and cash equivalent at END of the year		1,766,816	736,900

The school's financial statements were approved on _____ 2022 and signed by:



.....
Name: Francis M.
Kimore

Chair BOM

Date: 10/7/24



.....
Name: George G. Mungai
School Principal/ Secretary
to BOM

PRINCIPAL
KAHUGU-INI SEC SCHOOL
P. O. Box 92-01030, GATUNDU

DATE: 10/7/24 SIGN: 

.....
Name: Faith Wangari
Bursar/ Finance Officer

Date: 10/7/24

(Comparative FY refers to the financial year preceding the current Financial year.)

12 Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

Receipts/Expenditure Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
RECEIPTS						
(1) CAPITATION GRANT ON TUITION						
Textbooks and reference materials	-	-	-	-	-	-
Exercise books	838,200	0	838,200	1,279,877	(441,667)	152.7%
Laboratory equipment	746,300	0	746,300	392,438	353,862	52.6%
Internal exams	22,680	0	22,680	0	22680	0%
Teaching / learning materials	1,986,820	0	1,986,820	1,003,300	983,520	50.5%
Chalks	0	0	0	0	0	0
(2) CAPITATION GRANT ON OPERATIONS						
Personnel emoluments	4,316,250	0	4,316,250	2,191,295	2,129,355	50.7%
Repairs and maintenance	1,414,500	0	1,414,500	5,342,082	(3,927,582)	377.7%
Local transport / travelling	1,374,750	0	1,374,750	1,732,626	(357,876)	126.0%
Electricity and water	2,363,250	0	2,363,250	1,363,876	999,374	57.7%
Medical	749,250	0	749,250	0	749,250	0%
Administration costs	1,179,000	0	1,179,000	938,250	240,750	79.6%

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Activity	942,000	0	942,000	0	942,000	0%
Gratuity	0	0	0	0	0	0
Insurance	750,000	0	750,000	162,200	587,800	21.6%
(3) FEES CHARGED ON PARENTS						
Personnel emoluments	2,325,000	0	2,325,000	5,203,587	(2,878,587)	219.6%
Repairs and maintenance	1,800,000	0	1,800,000	1,022,695	310,513	56.8%
Local transport / travelling	487,500	0	487,500	1,731,673	(1,244,173)	355.2%
Electricity and water	3,675,000	0	3,675,000	5,003,775	(1,595,567)	136.2%
Medical	75,000	0	75,000	275	74,725	0.4%
Administration costs	1,387,500	0	1,387,500	2,557,465	(1,169,965)	184.3%
Activity	112,500	0	112,500	612,201	(499,701)	546.4%
Fee on Boarding Equipment and Stores	20,538,750	0	20,538,750	25,491,885	(6,168,988)	124.3%
OTHER INCOME						
P.A donations	3,620,000	0	3,620,000	8,463,055	(4924,163)	236.0%
Prepayments				1,345,296		
Arrears paid during the year				533,177		
Exams				42,900		
Uniform				5,045,350		
Courses/motivation	5,815,777	0	5,818,777	5,815,777	0	100%
TOTAL INCOME	56,548,322	0	56,548,322	77,275,055	(20,726,733)	
(1) EXPENDITURE						

KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	Kshs	Kshs			Kshs	Kshs
FOR TUITION						
Textbooks and reference materials	0	0	0	0	0	0
Exercise books	838,200	0	838,200	0	838,200	0%
Laboratory equipment	746,300	0	746,300	571,640	-707,365	77%
Internal exams	22,680	0	22,680	142,000	(119,320)	626%
Teaching / learning materials	2,299,800	0	1,986,820	1,838,270	-556,496	124%
(2) EXPENDITURE FOR OPERATIONS						
Personnel emoluments	4,316,250.00	0	4,316,250.00	3,122,034	1,194,216	70%
Repairs, maintenance & improvements	1,414,500.00	0	1,414,500.00	5,772,013	(6,701,330)	372%
Local transport / travelling	1,374,750	0	1,374,750	0	1,374,750	0%
Electricity, water and conservancy	2,363,250	0	2,363,250	83,251	2,279,999	4%
Medical	749,250	0	749,250	0	749,250	0%
Administration costs	1,179,000	0	1,179,000	152,560	1,026,440	28%
Activity Expenses	942,000	0	942,000	384,091	-14,559	41%
Gratuity	0	0	0	149,600	(149,600)	0%
(3) EXPENDITURE FOR SCHOOL FUND						
Personal Emolument	2,325,000	0	2,325,000	4,901,045	(2,576,045)	208%
Repairs, maintenance	1,800,000	0			(12,156,621)	726%

Receipt/expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
and improvements			1,800,000	13,065,201		
Local transport / travelling	487,500	0	487,500	676,120	(138,620)	139%
Electricity, water and conservancy	3,675,000	0	3,675,000	517,508	3,157,492	14%
Medical Expenses	75,000	0	75,000	213,650	(138,650)	285%
Administration costs	1,387,500	0	1,387,500	2,018,283	(630,783)	145%
Activity	112,500	0	112,500	494,570	(382,070)	440%
B.E.S	20,538,750	0	20,538,750	29,330,424	(11,154,405)	135%
Insurance costs	750,000	0	750,000	796,509	(46,509)	106%
Courses/motivation	5,844,072	0	5,844,072	3,841,900	2,002,172	66%
Exams	0	0	0	60,600	0	0
uniform	0	0	0	5,075,350	0	0
Bank charges	0	0	0	3672	-3672	0%
TOTALS	56,548,322	0	56,548,322	73,210,291	(79,332,094.00)	

13 Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include school fees from parents, imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school*, and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*. Income arising from school fees is recognised when the event occurs whether cash is received or not. Expenditure arising from operations is recognised when the event occurs irrespective of receipt of cash.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditure incurred for the purchase of goods, works and services that has been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

13 Notes To The Financial Statements

1 Government Grants for Tuition

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	1,279,877	258,106
Laboratory equipment	392,438	0
Internal exams	0	0
Teaching / learning materials	1,003,300	684,829
CHALK	0	230
INTER ACCOUNT BORROWINGS	0	0
Teachers guides	0	0
Total	2,675,615	943,165

2 Government Grants for Operations

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	2,191,295	2,474,012
Repairs and maintenance	5,342,082	3,271,680
Local transport / travelling	1,732,626	341,680
Electricity and water	1,363,876	341,681
Administration costs	938,250	0
Insurance	162,200	0
ACTIVITY	0	341,681
Total	11,730,329	6,770,734

3 School Fund Income -Parents Contribution/Fees

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	5,203,587	561,760
Repairs and maintenance	1,489,487	492,471
Local transport / travelling	1,731,673	186,225
Electricity and water	5,270,567	593,514
Medical	275	29,210
Administration costs	2,557,465	320,309
Activity	612,201	41,265
Total	16,865,255	2,224,754

4 OTHER RECEIPTS – SCHOOL FUND ACCOUNT

	2021-2022	2020-2021
	Kshs	Kshs
Fee on Boarding Equipment and Stores	26,707,738	5,017,100
Insurance compensation	0	0
Income from Posho mill	0	0
COURSES/MOTIVATION	5,815,777	0
UNIFORM	5,045,350	1,247,800
Income P.A donations*	8,463,055	1,048,290
Interest income	0	
Dividends income	0	
Total	46,031,920	7,313,190

5 Tuition payments

	2021-2022	2020-2021
	Kshs	Kshs
Textbooks and reference materials	0	0
Exercise books	0	0
Laboratory equipment	1,453,665	181,160
Internal exams	142,000	0
Teaching / learning materials	2,846,296	310,200
Chalks	0	0

KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

Exams and assessment	0	0
Teachers guides	0	0
Administration Costs	0	0
Bank Charges	0	2,544
Total	4,441,961	493,904

6 Operations payments

	2021-2022	2020-2021
	Kshs	Kshs
Personnel emoluments	3,122,034	1,561,766
Service Gratuity	149,600	0
Administration Cost	152,560	328,768
Repairs and maintenance & improvements	8,115,830	570,800
Local transport / travelling	0	0
Electricity and water	83,251	226,700
Medical	0	0
Activity Expenses	956,559	182,500
Insurance Cost	0	0
Bank Charges	0	2,065
Infrastructure	3,034,848	1,074,050
TOTAL	15,614,682	3,946,649

Notes to the Financial Statements (continued)

7 Boarding And School Fund Payment

	2021-2022	2020-2021
	Kshs	Kshs
BES	31,693,155	6,902,221.
RMI	13,956,621	332,550
EWC	517,508	5,052,908
LTT	676,120	0
Activity	494,570	238,660
Administration costs	2,018,283	73,525
P.E	4,901,045	605,008
Medical	213,650	1,029,264
P.A Donations	0	1,009,660
Uniform	5,075,350	0
Insurance Cost (Life Property)	796,509	0
Courses/motivation	3,841,900	120,000
Loan Interest repayment	0	0
Acquisition of Assets	0	0
Bank charges	3672	12,262
TOTALS	64,188,383	15,376,058

8 BANK ACCOUNTS

Name of Bank, Account No. & currency	Bank Account Number	2021-2022	2020-2021
		Kshs	Kshs
Tuition Account	004000016696	-110,946	165,350
Operations Account	004000017599	155,344	(290,218)
School Fund Account/Boarding	0660261104161	7,409	(742,086)
Infrastructural Account	004000005281	1,715,007	1,202,855
Total		1,766,816	335,900

KAHUGUINI BOYS HIGH SCHOOL

Annual Report and Financial Statements For the year ended 30th June 2022

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9. CASH IN HAND

Description	2021-2022	2020-2021
	Kshs	Kshs
Tuition Account	0	0
Operation Account	122,294	213,077
School Fund account	-129,389	180,828
Infrastructural Account	7,095	7,095
Total	0	401,000

10. SHORT TERM INVESTMENTS

Description	2021-2022	2020-2021
	Kshs	Kshs
Cooperative shares	0	0
Treasury Bills	0	0
Fixed deposit	0	0
Equity stock	0	0
Other investments	0	0
Total	0	0

Notes to the Financial Statements (continued)

11. ACCOUNTS RECEIVABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears	15,869,903	14,496,543
Other non-fees receivables	0	0
Salary advances	0	0
Imprest	0	0
Total	15,869,903	14,496,543

Description	2021-2022	2020-2021
	Kshs	Kshs
Fees arrears for current year	1,906,537	528,177
Fees arrears for the previous year	0	2,519,068
Fees arrears for prior periods (over two years)	13,963,366	11,449,298
Total	15,869,903	14,496,543

12. ACCOUNTS PAYABLE

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors (See ageing below and appendix 1)	15,631,984	9,612,792
Prepaid fees	1,345,296	(1,980,695)
Retention monies	0	0
Total	16,977,280	7,632,097

Description	2021-2022	2020-2021
	Kshs	Kshs
Trade creditors for current year	7,754,099	1,865,181
Trade creditors for the previous year	130,274	1,222,568
Trade creditors for prior periods (over two years)	7,747,611	6,525,043
Total	15,631,984	9,612,792

Notes to the Financial Statements (continued)

13. FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank balances	1,766,816	335,900
Cash balances	0	401,000
Short Term Investments	0	0
Receivables	15,869,903	14,496,543
Payables	(16,977,280)	(7,632,097)
Total	659,439	7,601,346

Other important disclosure notes

IPSAS Cash Standard encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

14. Non-current Liabilities Summary

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Loans	0	0
Outstanding Leases	0	0
Hire Purchase	0	0
Gratuity And Leave Provision	0	0
Others (specify)	0	0
Total	0	0

15. Biological assets

Description	Numbers	2021-2022	2020-2021
		Kshs	Kshs
Cattle		0	0
Goats		0	0
Trees	65stems	65,000	65,000
banana Plantation	165stems	165,000	165,000
Poultry		0	0
Others (specify)		0	0
Total		230,000	230,000

16. Borrowings

Description	Kshs	Kshs
Borrowings at beginning of the year	0	0
Borrowings during the year	0	0
Repayments during the year	0	0
Balance at the end of the year	0	0

Other important disclosure notes

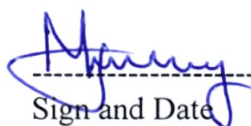
17. Stock/ Inventory

Description	2021-2022	2020-2021
	Kshs	Kshs
Food stuffs		
Lab consumables		
Farm produce		
Medication		
Construction Materials		
Others (specify)		

18. Progress On Follow Up Of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No.	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)



Sign and Date
Principal

9 Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2022-1	Comments
	a	b	c	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction of buildings						
1.						
Sub-Total						
Supply of goods						
2. ROLYIAN AGENCIES	800,000	07-2021	165,150	634,850	634,850	
3. KENAFRIC BAKERY	514,080	07-2021	0	514,080	514,080	
4. WATIMO CEREALS STORES	800,000	07-2021	400,000	400,000	400,000	
5. ZACHARY WAMUTWE	941,860	07-2021	220,000	721,860	721,860	
6. STEPHEN MUTURA WACHIRA	261,290	07-2021	213,695	48,225	48,225	
7. W.M HARDWARE	300,000	07-2021	249,170	50,830	50,830	
8. JOSMAN ENTERPRISES	572,468	01-2021	0	572,468	572,468	
9. GASTON KENYA	2,629,430	01-2022	1,300,000	1,329,430	1,329,430	
10. PENGU TRADERS	1,527,321	01-2021	519,295	1,008,026	1,008,026	
11. JACKITOS ENTERPRISES	2,084,214	01-2021	1,202,189	882,025	882,025	
12. FURAHIA FURNITURES	521,800	01-2022	0	521,800	521,800	
13. TILCON DEVELOPERS	350,000	01-2022	0	350,000	350,000	
14. PAKU ENTERPRISES	308,000	01-2022	0	308,000	308,000	
15. SATELLITE ELECTRICALS	120,110	01-2022	0	120,110	120,110	
Sub-Total	11,730,573.00		4,269,449	7,461,704	7,461,704	
Supply of services						
16. JIMTEX COMPUTERS	406,250	01-2021	113,885	292,365	292,365	
Sub-Total	406,250		113,885	292,365	292,365	
Grand Total	12,136,823		4,383,384	7,754,099	7,754,099	

Annex 2 – Summary of Fixed Assets Register

Asset class	Date purchased	Location	Historical Cost b/f (Kshs) 1 st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost b/f (Kshs) 30 th June 2022
Land 1			No valuer			No valuer
Buildings and structures			50,000,000.00			50,000,000.00
Motor vehicles			8,000,000.00			8,000,000.00
Office equipment, furniture and fittings			5,000,000.00			5,000,000.00
ICT Equipment, and Other ICT Assets			1,000,000.00			1,000,000.00
Tools and apparatus			1,000,000.00			1000,000.00
Textbooks			1,000,000.00			1,000,000.00
Other Machinery and Equipment			3,000,000.00			3,000,000.00
Heritage and cultural assets			0			0
Intangible assets- soft ware			200,000.00			200,000.00
Total			69,200,000			69,200,000